

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6633

BILL NUMBER: SB 249

DATE PREPARED: Dec 10, 2001

BILL AMENDED:

SUBJECT: Cumulative Capital Improvement Fund.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill expands the purposes for which a city or town Cumulative Capital Improvement Fund may be used to include the purchase of computer equipment, computer software, computer maintenance, and in-service technology training.

Effective Date: July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Under current law, a city or town may have two Cumulative Capital Improvement (CCI) Funds. One is funded with property tax levies and the other with cigarette tax distributions. SEA 441 (2001) allowed for additional uses of money collected in the CCI-Levy Fund. This bill would make the same changes to the approved uses of the CCI-Cigarette Tax Fund.

Under current law, a city or town may use money in its CCI-Cigarette Tax Fund to:

- Purchase buildings, land, easements, or rights-of-way;
- Construct or improve city owned property; or
- Retire bonds issued for one of the above purposes.

In addition to the above current uses of the CCI-Cigarette Tax Fund, this bill would allow a city or town to use money in the fund to purchase, lease, upgrade, maintain, or repair computer hardware and software, wiring and computer networks, and communication access systems. The bill would also allow the fund to be used to pay for computer maintenance employees and to conduct nonrecurring inservice technology training of unit employees.

The statewide total revenue in the CCI-Cigarette Tax Fund is estimated at \$10.5 M for CY 2001. CY 2001 appropriations were approved at \$16.5 M. (This is a cumulative fund, so balances may carry over from year to year.)

This bill does not change the unit's levy authority or the amount that the units will receive from Cigarette Tax. It only expands the possible uses of the fund. If, as a result of this bill, a city or town uses money in the CCI-Cigarette Tax Fund for one of the new uses, then the unit might have to curtail spending for other current uses of the fund.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Cities and Towns.

Information Sources: Local Government Database.